

## Message Text

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42

ACTION EB-07

INFO OCT-01 ARA-06 ISO-00 COME-00 XMB-02 TRSE-00 CIAE-00

INR-07 NSAE-00 L-02 SP-02 /027 W

----- 080661

R 162230Z MAY 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 8782

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PASS EXIM BANK

E.O. 11652: N/A

TAGS: EFIN, VE

SUBJ: EXIM BANK COLLABORATION WITH VENEZUELAN INVESTMENT FUND

1. ON MAY 16, EMBASSY OFFICER SPOKE WITH CESAR MANDUCA, DIRECTOR GENERAL OF VENEZUELAN INVESTMENT FUND, TO REMIND HIM OF CONTINUING USG INTEREST IN HAVING THE FUND PARTICIPATE JOINTLY WITH EXIM BANK IN FINANCING PROJECTS IN OTHER LATIN AMERICAN COUNTRIES. MANDUCA REPLIED THAT THE FUND NEEDED TO BE VERY CAREFUL TO AVOID APPEARANCE OF ASSISTING THE UNITED STATES IN PROVIDING SUCH CREDITS. EMBASSY OFFICER REMINDED MANDUCA THAT CREDITS TO THIRD COUNTRIES SHOULD IN NO WAY BE INTERPRETED AS ASSISTING THE UNITED STATES, SINCE FUNDS PROVIDED BY VENEZUELA WOULD NOT NORMALLY BE USED TO FINANCE U.S. EXPORTS. EMBASSY OFFICER INFORMED AMNDUCA THAT AMBASSADOR SHLAUDEMAN INTENDED TO CALL ON FUND PRESIDENT CONSTANTINO QUERO MORALES IN THE NEAR FUTURE AND MIGHT WISH TO DISCUSS THE MUTUAL ADVANTAGES OF THIS TYPE OF FINANCIAL COOPERATION.

2. MANDUCA SAID THAT FINANCE MINISTER HECTOR HURTADO (CHAIRMAN OF THE FUND'S BOARD OF DIRECTORS) IS IN FAVOR OF A COOPERATIVE ARRANGEMENT WITH THE EXIM BANK. MANDUCA BELIEVES, THEREFORE, THAT PROSPECTS ARE GOOD FOR A FAVORABLE DECISION. HE SAID THAT HE WOULD BRING THE MATTER

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TO THE ATTENTION OF DR. QUERO MORALES SO THAT HE WOULD

BE FAMILIAR WITH THE PROPOSAL WHEN AMBASSADOR SHLAUDEMAN  
CALLS.

COMMENT. UNTIL RECENTLY, IT APPEARED LIKELY THAT BOTH  
MANDUCA AND QUERO MORALES WOULD BE LEAVING THE VENEZUELAN  
INVESTMENT FUND. IT NOW APPEARS, HOWEVER, THAT AT LEAST  
FOR THE TIME BEING THEIR POSITIONS ARE SECURE. MGVERTHE-  
LESS, THE FUND IS STILL SUFFERING THE EFFECTS OF FREQUENT  
PERSONNEL CHANGES AND A LACK OF EFFECTIVE LEADERSHIP.  
ALTHOUGH MANDUCA DID NOT REFER TO IT, THE STATUTES OF THE  
FUND LIMIT INTERNATIONAL FINANCIAL ASSISTANCE TO 15 PERCENT  
OF TOTAL CAPITAL. IN RECENT TESTIMONY TO THE CONGRESS,  
QUERO MORALES SAID THAT ALREADY 11 PERCENT OF CAPITAL HAS  
BEEN ALLOCATED TO THIS PURPOSE. THEREFORE, THE FUND WOULD BE  
LIMITED IN THE AMOUNT IT COULD MAKE AVAILABLE FOR COOPERATIVE  
FINANCING WITH EXIM BANK. - - IF IN FACT THE FUND PROVES TO BE IN  
A POSITION TO GO AHEAD WITH SUCH COOPERATION.  
SHLAUDEMAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, FUND ALLOTMENT, PROGRAMS (PROJECTS), FOREIGN INVESTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975CARACA05164  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750174-0682  
**From:** CARACAS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750541/aaaablbo.tel  
**Line Count:** 79  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 17 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <17 SEP 2003 by ElyME>; APPROVED <01 OCT 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXIM BANK COLLABORATION WITH VENEZUELAN INVESTMENT FUND  
**TAGS:** EFIN, VE, XM, US, XMB, (MANDUCA, CESAR)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006